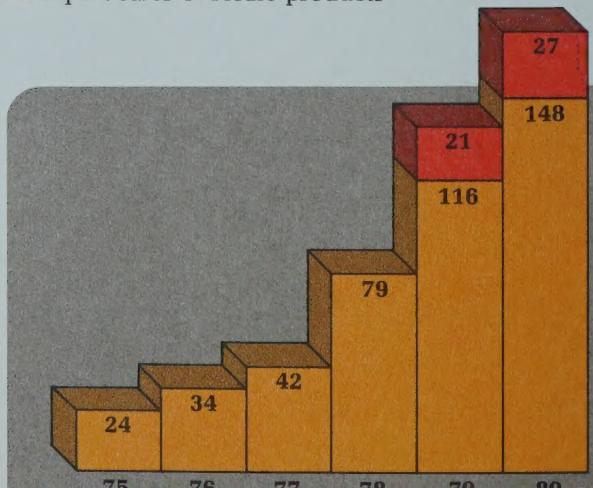


In 1980 Du Pont Canada shipped products to customers in more than 60 countries.

Cover design symbolizes Company's increasing emphasis on exports.

EXPORT SALES (millions of \$)

■ Export sales of manufactured products
■ Export sales of resale products



HIGHLIGHTS

1

	1980	1979	
	(Dollars in millions)		% Change
Sales	\$ 995	\$ 879	13
Net income	51	58	(13)
Funds from operations	76	116	(35)
Construction expenditures	53	23	128
<hr/>			
Profitability			
Return on		(Per cent)	
— sales (excluding extraordinary item)	4.3	6.6	(2.3)*
— average total investment	6.6	8.5	(1.9)*
— average shareholders' equity	20.1	29.1	(9.0)*
<hr/>			
Price indices			
Company selling price index of manufactured products		(1971 = 100)	
221	188	18	
Company raw materials and energy price index	398	339	17
<hr/>			
Results per common share			
Funds from operations	\$ 9.55	\$ 14.63	(35)
Earnings			
From operations — by quarter			
— First	\$ 1.60	\$ 1.10	
— Second	1.72	1.64	
— Third	0.89	2.31	
— Fourth	1.17	2.32	
	5.38	7.37	(27)
From extraordinary item	1.01	—	
Total for the year	\$ 6.39	\$ 7.37	(13)
Dividends declared	\$ 0.85	\$ 0.75	13
Shareholders' equity	\$34.48	\$28.94	19

* Change in percentage points

NOTICE OF MEETING

The 70th Annual Meeting of Shareholders will be held at the Registered Office of the Corporation, 555 Dorchester Blvd. West, Montréal, Québec on Thursday, 1981 April 23 at 12:00 noon.

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RESEARCH
CENTRE

DR. SPENCER CHAMBERS INC.



Directors' Report

3

TO THE SHAREHOLDERS

The recession reduced demand for many of our products during 1980 and as a result earnings fell short of the record performance of 1979. The automotive, carpet and packaging markets were especially soft. Losses related to the start-up of our polyester plant at Coteau-du-Lac, Québec also were a significant factor.

Despite these difficulties, earnings of \$50.5 million, \$6.39 a common share, were the second highest in the history of the Company. This improved performance compared with that experienced in earlier recessions is a direct result of the excellent efforts of our more than 6 000 employees. The Directors, on behalf of the Shareholders, acknowledge the dedication and contribution of our employees.

Several factors stand out. One is the growing strength of businesses based on more than 25 years of research and development in polyethylene technology. These businesses contributed strongly to our growing exports. In 1980 exports of manufactured products reached \$148 million, an increase of 27 per cent from 1979.

Petrosar Limited, in which we own 20 per cent of the equity, attained fully operational levels in 1980. It made an important contribution to our results by supplying a large portion of our raw material requirements at competitive prices.

Efforts aimed at improving productivity and reducing costs also continued to contribute. For example, our program to conserve energy has reduced energy consumption per unit of production by 29 per cent compared with the base year of 1972. Major changes in arrangements for the distribution of our products have had a significant impact on distribution

costs. Completion of our new distribution centre in Scarborough, Ontario during 1981 will deliver further cost reductions.

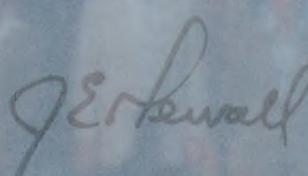
Construction expenditures of \$53 million were up \$30 million over the previous year. During the year new capacity was authorized for the polyethylene pipe, polyethylene film, woven polyolefin fabrics, and spandex yarn businesses. The sale of our interest in Lacana Mining Corporation at an after-tax profit of \$7.9 million provided additional funds for expansion.

Du Pont of Canada Exploration Limited (DOX), a wholly-owned subsidiary, completed construction of a mine and mill in central British Columbia during the year. Mining of gold and silver began in 1981 February.

We deeply regret the death, in July, of four employees of DOX in a helicopter crash in northern British Columbia. There were no survivors and investigations to determine the cause of this tragic accident are continuing.

The long-term outlook for the Company is excellent. The certainty of unusually large increases in raw material and other costs during 1981 along with the prospect of relatively weak markets combine, however, to ensure that 1981 will be a very challenging year.

On behalf of the Directors,



Chairman, President and
Chief Executive Officer
1981 February 27

The Research Centre at Kingston has about 140 employees. Most were on hand for the 25th-anniversary photo shown on pages two and five.

Directors' Report

The Directors' Committee has had a busy year. We have made significant progress in our strategic plan, particularly in the areas of product development, market expansion, and operational efficiency. Our financial performance has been strong, with revenues up 15% and profits up 20% over the last year. We have invested heavily in research and development, particularly in our new product line, and we are seeing positive results from this investment. We have also focused on improving our operational efficiency, which has led to significant cost savings and improved delivery times. Our international operations have continued to grow, with sales up 25% in Europe and 30% in Asia. We are optimistic about the future prospects of our business and believe that we are well positioned to continue to grow and succeed.

On behalf of the Directors,
John Smith
Chairman, President and CEO

1981 February 27
Chief Executive Officer
Chairman, President and CEO

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Profile

The origins of the Company in Canada date back more than a century. It took the Du Pont name and organizational form in 1954.

The Company is a subsidiary of E.I. du Pont de Nemours & Company. However, decisions affecting both day-to-day operations and the long-term future of Du Pont Canada are made in Canada by Canadians. Nine of the ten members of our Board of Directors and all members of senior management are Canadian.

DU PONT CANADA INC. has a total investment in this country of about \$950 million. It has major manufacturing plants in eight communities and about 80 per cent of the 6 000 employees work at these plants.

Our Research Centre, in operation more than 25 years at Kingston, employs about 140 people. A larger number of employees carry out technical work at other locations including that done at our Customer Technical Centre also located in Kingston. The men and women at this facility provide a vital link between our research, manufacturing and marketing operations. Some of the Company's fastest growing businesses had their beginnings in our Canadian laboratories.

We have sales and/or administrative offices in many cities, including Fredericton, Montreal, Toronto, Mississauga, Calgary and Vancouver. A wholly-owned subsidiary, Du Pont of Canada Exploration Limited, is engaged in mineral exploration in Canada and operates a small gold and silver mine in central British Columbia.

Du Pont Canada is primarily a manufacturer of products that require further processing before reaching the ultimate consumer. For example, nylon tire yarn, after leaving our Kingston manufacturing plant, is woven into a fabric, which in turn becomes part of an automotive tire.

Company sales in 1980 were just under one billion dollars. Our plastics and films group, whose major customers include plastics processors and the packaging industry, accounted for about 35 per cent. Man-made fibres sold to carpet manufacturers, to a wide variety of other industries and to textile and apparel manufacturers made up an additional 33 per cent. The balance of 32 per cent consisted of industrial chemicals, commercial explosives, paints and finishes, as well as other products made by E.I. du Pont de Nemours & Company and Petrosar Limited.

For his achievements in metallurgy, Henry van Drostelaar, Maitland Works, received the R.A. Brannon Award from the National (U.S.) Association of Corrosion Engineers.

Nancy Russell, Kingston Works, accepts safety prize from President Ted Newall. In October, Works employees won Board of Directors, safety award for 11th time.

Frances Hale, left, and Margaret Robb, Economist's Office, work on an econometric model used to help forecast economic conditions.



Sales of manufactured products to export markets in 1980 increased at a substantially greater rate than our total sales. The emphasis on exports recognizes that if domestic manufacturers are to be world-competitive most require much larger markets than those provided by Canada's less-than-25-million population.

Woven throughout the above activities is the Company's commitment to safety. Management and employees work together to achieve a perfect record. Their reward has been a safety performance pattern that year after year ranks among the best in North American industry.

Kalev Pugi, Research Centre, holds a number of key patents relating to the manufacturing of nylon.



Operations Review

Research has played a major role in the Company's activities for more than a quarter of a century. The 25th-anniversary photograph on pages two and five shows many of the employees at the Kingston, Ontario, Research Centre.

Because of the highly technical nature of the Company's operations, research support is required for almost all of our businesses. In addition, work is underway to identify and develop new product areas. Development of a process for producing linear low density polyethylene is one of the most significant contributions made by our research scientists. Producers in several countries are interested in purchasing this unique technology.

Our arrangements with E.I. du Pont de Nemours & Company for access to its technology have enabled us to concentrate much of our own research effort on key objectives in the polyethylene and nylon businesses while relying largely on that

company's research in most other product areas. We have thus been able to advance on a much broader product front than we could have otherwise.

Our experience supports the view that growth in Canadian manufacturing depends on increasing the percentage of national wealth devoted to research and development. Effective coordination of research activities in government, industry and universities will provide further impetus towards this end.

As one example, the Company participated in the installation at Queen's University of a new instrument for studying the structure of polymers. This is of fundamental importance to many of our products, and Du Pont Canada scientists will have access to the new facility.

A very serious accident occurred in July when four employees of DOX lost their lives in a helicopter crash in a remote area of B.C. No cause has as yet been determined for this tragic event.

Statistically, including the DOX accident, our safety performance showed 0.122 lost work accidents per 200 000 hours compared with 0.092 in 1979. The 4 800 employees at our six manufacturing locations in Ontario completed the year without a lost-time injury.

Dave Axelson, foreground, Research Centre, and Chemistry Professor Brian Hunter both make use of advanced equipment recently installed at Queen's University for studying polymers.



Louis Solc, Research Centre, supplies catalyst to pilot plant in preparation for research on polyethylene resin manufacturing process.



Roly Pallin, Plastics Division, has a fault-free driving record of more than 26 years and 1 000 000 kilometres.

Eight hundred and thirty-nine individuals were receiving Company pensions last December. At year end, an independent trustee held \$177 241 000 in an irrevocable trust to meet future pension payments under the Company-financed plan. This amount exceeded the actuarially determined value of pensions earned to that date.

There were three changes in the Board of Directors in April. Two distinguished members — Joseph A. Dallas and Roy L. Schuyler — retired from the Board. Both Mr. Dallas and Mr. Schuyler are retired employees of E.I. du Pont de Nemours & Company. Bertalan L. Turvolgyi, Senior Vice-President, an employee of DuPont Canada since 1953, was elected a Director.

The following appointments were made at the Officer level, effective 1980 December: Donald A. S. Ivison formerly Vice-President and Chief Financial Officer was appointed Senior Vice-President; Gordon R. Wittman was appointed Vice-President - Operations; James O. Torrens was appointed Vice-President - Corporate Development; James M. Stewart was appointed Vice-President - Corporate Projects; John A. Walsh was appointed Vice-President - Les Opérations du Québec and F. Gerald Fox, General Counsel, was appointed Secretary.



Plant Manager Jim Harrison, centre, and François Gosselin, Home Furnishings Division, at Brantford Plant of Harding Carpets Limited. Left, inspector Sophie Molnar.

FIBRES

Nylon

Demand for nylon was very weak for much of the year. This was the case in tire and industrial markets although demand for our products from both domestic and export customers had recovered by year end.

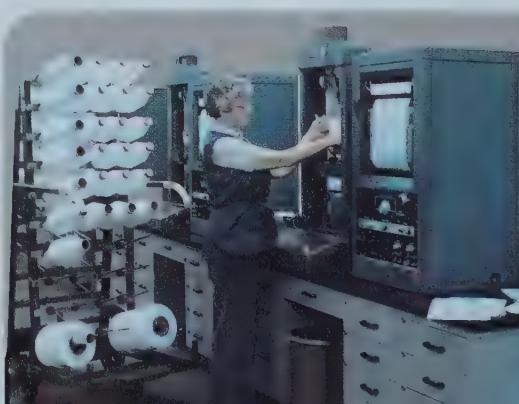
Our carpet customers were hard hit by low consumer purchasing and by slow conditions in home construction due in part to high interest rates. These conditions combined with inventory corrections by some customers reduced our shipments compared with 1979. Canadian carpet producers became increasingly world-competitive and they increased both their export sales and their share of the domestic carpet market.

Sales of nylon yarn to the apparel textile market also suffered a sharp downturn during the first part of the year but recovered in the second half.

Since sound-deadening covers (in green) were installed on rewinding machines for "Lycra" spandex yarn at Maitland, Steve Bolt, left, and Tim Nocé no longer need hearing protectors.



Jessie Hallett, Kingston Works, tests strength of nylon yarn.



Spandex Fibre

Strong demand continued for spandex yarn. We benefited from the increased output as a result of the recently completed fine denier facilities at Maitland Works. Work has begun on a further expansion at this plant. The \$3.25 million project, announced in May, will be completed in 1982.

Acrylic Fibre

In 1981 January we announced that we would cease production of ORLON acrylic fibre at our multi-product plant site in Maitland, Ontario. This business has lost money each year since 1974. Shutdown costs, which were not material, were included in our 1980 accounts. Most of the 130 employees will be assigned to other jobs on the plant site and others will be offered employment at our Kingston nylon fibre plant.

Polyester

Our plant to produce DACRON polyester filament yarn went into production in mid-year at Coteau-du-Lac, Québec. The plant is operating smoothly and product quality is meeting expectations. However, the combination of depressed prices, due in part to the recession and world over-capacity, and start-up costs resulted in significant losses during the year.

Claude Genest, Denis Martin and Carole Thibodeau discuss the function of a transfer machine at the recently opened polyester plant, Coteau-du-Lac, Québec.

Engineers Richard Giguère, Alain Thibodeau and Daniel Legault work on an energy conservation program at Les Usines Coteau, Québec.

Canadian Textile and Clothing Board

In August, the Textile and Clothing Board, an independent body which advises government on policies relating to the textile and apparel industries, made a number of important recommendations. These proposals followed the most comprehensive study of the industries in the history of the Board. More than 130 public and private hearings were held throughout Canada and 150 briefs submitted.

Acceptance of the Board recommendations, which provide for continued controls over imports from low-wage countries, would lead to a period of stability for apparel manufacturers and their suppliers. The actions proposed are similar to steps taken by other Western countries and are vital to the future of these industries. We are strongly urging full implementation of the Board recommendations.

Sally Woods, Marketing Services Division, discusses trends in plastics processing with Steve Thomson, plant manager, Capilano Plastics Company Limited, New Westminster, B.C.



PLASTICS AND FILMS

Plastics

Sales volumes and selling prices were affected by the recession. Substantial increases in raw material costs also affected profits.

The Company's strength in the polyethylene business stems in part from excellent Canadian research. The production process developed by scientists at the Kingston Research Centre produces resins with unique properties. Our customers have used their manufacturing skills to take advantage of these properties with the result that there are rapidly growing domestic and export markets. The capacity of our resins plant near Sarnia is now more than 20 times larger than it was at start-up in 1959. More than 30 per cent of our 1980 production was exported to countries in North and South America, Europe and the Pacific Rim.

During 1980 we completed a new monomer facility which was started-up early in 1981. The unit will reduce costs. A program to expand annual plant capacity by 15 percent to 520 million pounds was also virtually complete at year-end.

Additional capacity will be needed before 1985. The Company plans to provide that capacity by means of a joint project with Alberta Energy Company Ltd. The two companies have applied to the Alberta Energy Resources Conservation Board for a permit to build a polyethylene plant in the Edmonton area. Planned annual capacity at start-up is 500 million pounds.

Woven Polyolefins

This business had a very satisfactory year. Our program to develop new applications for these products bore fruit in 1980 as weak demand from the large asbestos segment was largely offset by new markets.

At mid-year we announced a \$4.6 million expansion in capacity at the North Bay plant; the additional production will be available in 1981. The new facilities will supply customers with the widest coated fabric manufactured in Canada.

Bill Phythian, right, President Calgary Tent and Awning and Dick Strother, Woven Polyolefin Division, examine lightweight building dividers of "Fabrene" fabric.

At the Saint-Damien, Qué., plant of Les Industries Provinciales Limitée, (L-R): IPL Vice-President Julien Métivier; President Rémi Métivier; Denis Sauvé, Plastics Division; Vice-President Benoît Métivier.



Polyethylene Pipe

Demand for large-diameter engineered polyethylene pipe increased substantially, mostly because of mining development and general economic growth in Western Canada.

To meet demand for this product arrangements have been made to manufacture the pipe in Edmonton, Alberta as well as in Huntsville, Ontario. The Company and Wiik and Hoeglund (Canada) Limited have purchased the assets of Beta Plastics Ltd., a well established producer of gas distribution pipe. Equipment will be added in Edmonton in 1981 to produce the larger engineered pipe. In addition to serving Western Canada this plant will export to the U.S. and South American markets.

Packaging Film

Weak markets resulted in lower volume in each of our three packaging films.

Although total polyethylene film shipments declined slightly, demand for our specialty converter films was strong. As the result of intensified market development work in the United States demand for these films is growing.

An expansion of polyethylene film capacity at Whitby, Ontario, was announced in the third quarter. The new facilities, to cost \$3.25 million, will be completed by late 1981.

Nylon film sales volume was lower than in 1979, although demand was improving late in the year. This product is used mostly by meat processors in very demanding applications. World markets offer attractive opportunities for expanding sales.

Sales of cellulose film dropped in the second half. This is a mature product, which has played an important role in consumer packaging for more than half a century. Worldwide demand has been gradually declining. As a result, we have reduced our production rates at Shawinigan, Québec, so that we can compete selectively in the diminishing markets.

Plant Manager Ralph Thompson, left, and Jacques Marcotte, Packaging Division, in the Montréal plant of Multipak Limited, a major converter of packaging films.



CHEMICALS

Finishes

Despite the downturn in new car sales, our shipments to vehicle manufacturers were well maintained. Sales to the refinish, or repair market increased.

Our non-stick finishes - TEFLON and SILVERSTONE - scored gains in cookware.

Construction is underway at Ajax, Ontario, to accommodate improved warehousing, training and laboratory facilities. These will provide better conditions for employees and improve service to our customers.

Explosives

Sales of packaged explosives were up moderately over last year while sales of bulk explosives were down due largely to labour disputes at some key customers. Development of additional open pit coal mines will substantially increase the demand for explosives in Western Canada.

With completion of many construction programs at the James Bay hydro project, we closed one of our two bulk explosives sites there and the second will be closed early in 1981. We installed two new bulk plants in Western Canada to serve recently opened mines.

In product development, we concentrated on broadening the range of applications for our water-gel packaged explosives. These products continue to be safer to make, and to use, than traditional nitroglycerine-based products. Also, we introduced new formulations for breaking rock under exceptionally severe conditions.

From this room at North Bay plant, Mel Grasser controls the production process for small-diameter water-gel explosives.

The M.-V. "Prince Andrew" delivers explosives to customers on B.C. coast. (L-R): Tom Shaw, Explosives Division; ship's captain Frank Culbard; Roy Horne, President, Magnum Explosives Limited, ship owners.



Petroleum Chemicals

Demand for petroleum chemicals remained at about the same level as last year. A small increase in the number of new cars capable of using leaded gasoline was an encouraging development. Future demand for these products largely depends on public policy relating to energy conservation and the environment. In our view, the most prudent course is to continue the use of leaded gasolines because they represent an important means for conserving crude oil. Technology now exists which would permit a complete return to the use of leaded gasoline without increasing lead emissions to the environment.

Fluorocarbons

The demand for fluorocarbons was adversely affected by the low level of activity in the construction and automotive industries. This, coupled with the effect of government regulations on the use of fluorocarbon propellants, resulted in a marginal decline in overall sales volume.

The long standing controversy over what effect, if any, fluorocarbons have on the ozone layer in the atmosphere remains unresolved. Scientific studies and research are continuing.

General Products

Sales of products manufactured by E.I. du Pont de Nemours & Company and marketed by us in Canada, showed satisfactory growth. Photo products, including X-ray films and other medical care products, made substantial gains.

During the year, new installations of automatic clinical analyzers continued at an increasing rate. More than 50 Canadian hospitals now are employing this unique diagnostic equipment to test body fluids in a simple, quick and reliable way.

Claude Konikow, General Products, right, and Réjean Daigneault, Chief Biochemist, Notre-Dame Hospital, Montréal, discuss hospital's recently-installed automatic clinical analyzer.

Field testing new herbicide in Alberta.
(L-R): Jim Stone, General Products Division; farmer Jerry Gustavson; Nevin Duplessis, General Products.



Exports

Increased exports played a significant role in Company results. Export sales of manufactured products were \$148 million in 1980 compared with \$116 million in 1979.

Our progress has been helped by the relative value of the Canadian dollar. We believe that the long-term success of Canadian manufacturing depends on domestic plants having internationally competitive costs. Such costs generally cannot be achieved by operations depending solely on comparatively small Canadian markets.

Our export business is broadly based. We now have over 500 customers in 70 countries. Export staff from our Export Division make regular visits to customers and agents throughout the world.

During the year, Export employees installed improved mechanization and computer programs at our Mississauga offices to handle the increased volume of business efficiently. They have also played a leading role in working with other exporters to develop standardized and simplified documentation for international trade.

During overseas visit to polyethylene resin customers, Bill Smith, Export Division, left, and Peter Kelly, Research Centre, meet with David Turner of Smith Brothers (Whitehaven) Limited, England.

MINERALS

Construction at the Baker Mine in central British Columbia was completed at a cost of \$14 million. Mining operations began as scheduled early in 1981. Operated by about 40 employees of our subsidiary, Du Pont of Canada Exploration Limited, the site has enough proven gold and silver ore for three years of small-scale mining.

Exploration programs were considerably expanded. At the lead-zinc property near Pine Point, Northwest Territories, pump tests on water conditions at one of the zones gave satisfactory results. Seven deposits have been discovered which are estimated to contain a total of 8.0 million tons with an average of 10.3 per cent combined lead-zinc. Drilling continues in an effort to locate enough ore to justify a mining operation.

Preliminary exploration continues on many other base metal and precious metal prospects in Canada.

Jack Life and Beth Allison of Export Division discuss a new system that minimizes the number of documents needed in international trade

Recently completed Baker Mine in central B.C. can be reached only by air. Here, mine supplies are loaded at Smithers, B.C., airstrip.



Financial Review

16

Sales and Earnings

Slow business in Canada through most of 1980 resulted in a modest increase of 11 per cent in domestic sales. However, export sales of \$175 million were increased 27 per cent. Total sales reached a record \$995 million, an increase of 13 per cent over the previous year.

Net income from operations amounted to \$42.6 million and the sale of our investment in Lacana added \$7.9 million. Total earnings of \$50.5 million in 1980 were 13 per cent below the record level of \$58.3 million in 1979.

Plastics and Films Group products sales were up 14 per cent due mainly to selling price increases as only polyethylene pipe shipments made significant gains over the preceding year. Operating profit rose six per cent.

Sales of Chemicals Group products rose 20 per cent as shipments of resale products from E.I. du Pont de Nemours & Company and Petrosar Limited made sharp gains. They also contributed significantly to the 16 per cent increase in operating profit.

Fibres Group products sales were up marginally. An operating loss resulted from the operation of the new polyester plant and from rising costs and lower shipments of other Fibres products.

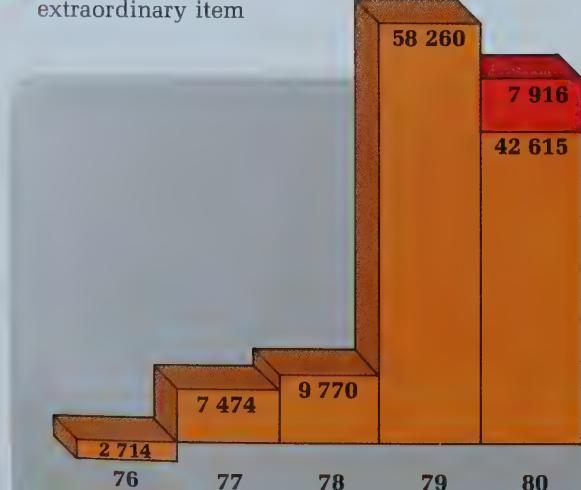
The Company selling price index of manufactured products rose 18 per cent while the raw materials and energy price index was up 17 per cent in 1980.

Various plant expansions and the start-up of the polyester plant at Coteau-du-Lac during the year resulted in a \$5.8 million, 20 per cent, increase in depreciation and amortization. Our staff expansion of eight per cent combined with inflationary forces to increase selling, general and administrative expenses by 22 per cent. They now amount to eight per cent of sales.

Total interest expense declined by \$3.8 million due mainly to the lower average borrowings in 1980 compared with 1979. The average cost of borrowing was 10.9 per cent on an annual basis compared with 10.6 per cent in the preceding year.

NET EARNINGS (millions of \$)

- Net earnings from operations
- Net earnings from extraordinary item



PRICE INDICES (1971 = 100)

- Company raw material price index
- Industry selling price index: manufacturing (Statistics Canada)
- Company selling price index



Profit margins in 1980 were lower than those attained in 1979.

	<u>1980</u>	<u>1979</u>
Net income before extraordinary item as a percentage of sales	4.3%	6.6%
Net return on average total investment, based on total net income before interest expense	6.6%	8.5%

Quarterly dividends of \$0.20 per common share were declared for the first three quarters and raised to \$0.25 for the final quarter. The total amount declared was \$0.85 in 1980, up \$0.10 from 1979.

Financing and Working Capital

Funds generated internally were more than adequate for construction expenditures of \$53.2 million, a further investment of \$1.3 million in Petrosar, dividends of \$6.9 million, and a \$3.0 million reduction in long-term debt. The sale of the investment in Lacana added \$11.5 million to our cash flow.

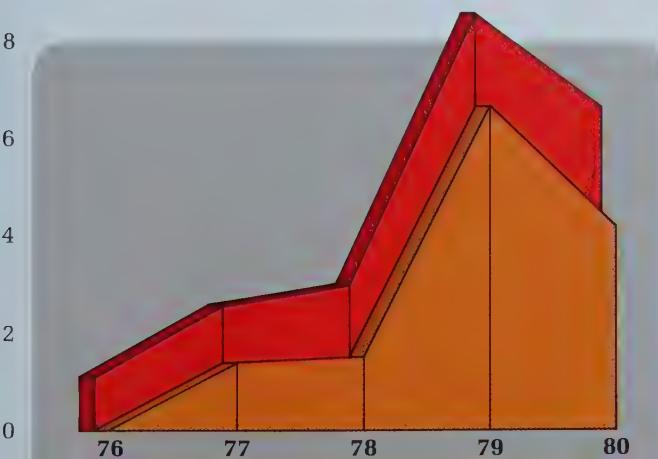
Working capital was \$121.9 million at year-end, with a current asset to current liability ratio of 1.75:1.

Early in 1981, the Company successfully completed a U.S. \$65 million, 13½ per cent, 10 year debenture issue in the international market. The proceeds were used in part to retire the \$50 million, 9½ per cent Notes maturing 1981 February 15 and the balance was made available for capital expenditures and working capital requirements. The debt to total capital ratio was reduced to 34 per cent at year-end from 41 per cent a year earlier.

Construction expenditures were up 128 per cent at \$53.2 million and included major investments at St. Clair River Works and the Baker Mine. The unexpended balance of authorized projects amounted to \$54.8 million at year-end.

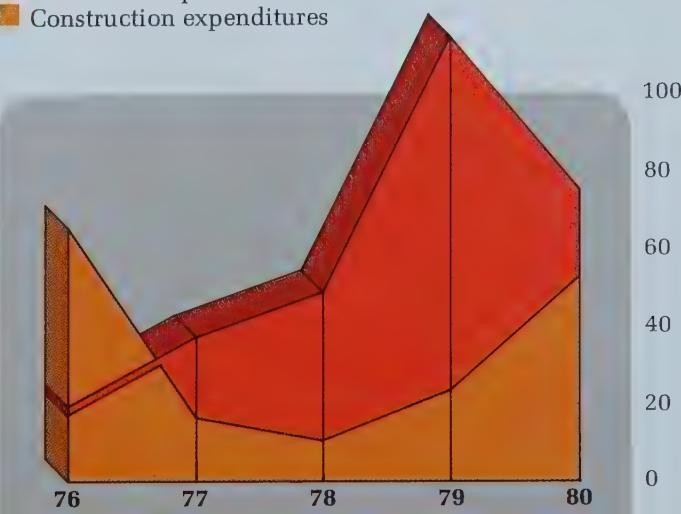
PROFITABILITY (per cent)

- Return on sales before extraordinary items
- Return on average total investment based on net income before interest expense



CONSTRUCTION EXPENDITURES AND FUNDS FROM OPERATIONS (millions of \$)

- Funds from operations
- Construction expenditures



Inflation and Financial Results

Inflation has a major impact on the financial position of a business and can have some serious consequences unless it is recognized. In a period of rapidly rising prices, a significant portion of earnings determined on a historical cost basis is required to replace inventories and to maintain the operating capacity of productive assets. At present this portion is taxed. Often it is partially distributed as dividends. The result is an erosion of the capital of the business. Financial statements based on historical costs do not identify this problem.

The accounting profession world-wide has made some progress toward an appropriate form of disclosure of the effects of changing prices but no consensus has been reached. The U.S. is in the second year of a five year experiment requiring supplementary disclosure of profits and certain assets and liabilities adjusted for both the change in the general purchasing power of the dollar and for the change in specific prices to the company. In Canada, The Canadian Institute of Chartered Accountants proposed supplementary disclosure of the impact of specific price changes and is currently evaluating responses to the exposure draft. The Canadian position is compatible with the U.S. position and quite similar to the U.K. position.

As no consensus has been reached in Canada on the format to be used, we believe it useful to continue disclosure in the form recommended by the Ontario Committee on Inflation Accounting as it indicates the impact of inflation on the funds available for distribution and expansion. Although the numbers shown in the accompanying table are based on indices and are therefore not precise, we believe they are indicative of the problem. Because of inflation, an amount of \$30 million or \$3.80 per share is required for reinvestment to keep the corporate asset base intact.

Du Pont Canada believes that it is very important for the government to take early action to reduce the problems of overtaxation created by inflation. These problems can be illustrated from our calculations. The current tax expense represents an effective rate of approximately 42 per cent of income, based on historic cost. However, when earnings before income taxes are adjusted for the impact of inflation (\$30 million) the rate becomes 71 per cent which represents an additional tax liability of some \$10 million.

**Impact of Inflation on Funds
Available for Distribution
or Expansion
(Dollars in millions)**

Unaudited

		1980
Funds generated (see Consolidated Statement of Changes in Financial Position, page 23)		\$87
Less: Funds required to finance original cost of productive assets (historical cost depreciation)		<u>35</u>
Funds available for distribution or expansion based on historical cost	52	
Deduct: Impact of Inflation		
Funds required to finance increased cost of maintaining operating capacity:		
Inventories*	\$14	*The increased cost of replacing inventories (\$14 million) represents the difference between the historical cost and the estimated current cost of goods sold at the date of sale.
Plant, machinery, and equipment**	<u>28</u>	**The increased cost of maintaining the operating capacity of productive assets (\$28 million) represents the difference between the depreciation taken in the accounts and depreciation for the year determined after applying indices to arrive at current cost of the assets, using the business investment component of the Gross National Expenditure Implicit Price Index.
Less: Additional funds which may be available from borrowings ***	<u>12</u>	***The extent to which additional funds may be available from borrowings (\$12 million) is based on the ratio of equity to non-equity capital at the beginning of the accounting period on the assumption that this ratio would be maintained.
Impact of Inflation	<u>30</u>	
Funds available for distribution or expansion after allowing for the impact of inflation	\$22	

RESPONSIBILITY FOR PREPARATION AND INTEGRITY OF THE FINANCIAL STATEMENTS

The Company is responsible for the financial information contained in this Annual Report. The consolidated financial statements, including the notes thereto, (pages 22-33) have been prepared by the Company in accordance with generally accepted accounting principles and necessarily include some amounts that are based on management's best estimates and judgment. The statements are considered by management to present fairly the Company's financial position and results of operations. The financial information throughout this Report is consistent with that in the financial statements. These financial statements have been audited by Touche Ross & Co., Chartered Accountants, whose report is included below. The reliability of the financial information in this Report is assured on a reasonable basis by the Company's accounting records and related system of internal controls. The system is based on a business ethics policy which requires employees to maintain the highest ethical standards in the conduct of Company business.

The system includes formal policies and procedures to safeguard assets and provide reliable financial records; a process for careful selection and training of personnel; and an organization providing for appropriate delegation of authority and the segregation of duties. The Company has an internal audit division whose function includes the review and evaluation of the accounting records and related system of internal controls on an ongoing basis.

Financial reporting and the functioning of the accounting system and internal controls are under the general oversight of the Committee on Audit of the Board of Directors. Both the internal auditors and the independent auditors have direct access to the Committee on Audit and meet with them, with or without management being present, to discuss their findings.

The Board of Directors has reviewed and approved the consolidated financial statements contained in this Annual Report.

AUDITORS' REPORT

The Shareholders, Du Pont Canada Inc.

We have examined the consolidated balance sheet of Du Pont Canada Inc. as at 1980 December 31 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at 1980 December 31 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year as restated.

Touche Ross & Co.

Chartered Accountants
Montréal, Québec
1981 February 27

DIRECTORS AND CORPORATE MANAGEMENT

Board of Directors

A. Jean de Grandpré, Q.C.

Chairman and Chief Executive Officer,
Bell Canada

David S. Holbrook

Director, Du Pont Canada Inc.

D. Carlton Jones

President,
Carlton Resource Management Limited

John A. Klacsmani

Vice-President, International
E.I. du Pont de Nemours & Company

Hon. Donald S. Macdonald, P.C.

Partner, McCarthy & McCarthy,
Barristers & Solicitors

Franklin S. McCarthy

Director and former President and
Chief Executive Officer,
Du Pont Canada Inc.

Donald S. McGiverin

President and Chief Executive Officer,
Hudson's Bay Company

J. Edward Newall

Chairman, President and
Chief Executive Officer,
Du Pont Canada Inc.

Robert J. Richardson

Senior Vice-President and Director,
E.I. du Pont de Nemours & Company

Bertalan L. Turvolgyi

Senior Vice-President,
Du Pont Canada Inc.

Honorary Director

Herbert H. Lank

Former Director,
Chairman and President,
Du Pont Canada Inc.

Committee on Audit

D. S. Macdonald — Chairman

D. C. Jones

J. A. Klacsmani

F. S. McCarthy

Human Resources Committee

A. J. de Grandpré — Chairman

D. S. Holbrook

D. S. McGiverin

R. J. Richardson

Corporate Management

Policy Committee

J. E. Newall — Chairman

Donald A. S. Ivison
Senior Vice-President

B. L. Turvolgyi
Senior Vice-President

Gordon R. Wittman
Vice-President — Operations

Operations Committee

G. R. Wittman — Chairman

Peter R. Duffield
Vice-President — Fibres Group

Robert C. Finlay
Vice-President —
Plastics and Films Group

F. Gerald Fox
Secretary and General Counsel

Finn Hovland
Vice-President — Manufacturing Group

Peter Pick
Treasurer

James M. Stewart
Vice-President — Corporate Projects

James O. Torrens
Vice-President — Corporate Development

Patrick A. Turner
Vice-President — Chemicals Group

John A. Walsh
Vice-President —
Les Opérations du Québec

Colin C. Young
Vice-President —
Employee and Public Relations

Assistant Treasurers

Paul M. Costello

Thomas S. Morse

CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31

(Dollars in thousands except per common share)	(Restated)	
	1980	1979
Net Sales	\$995 343	\$879 221
Other income	1 021	398
	996 364	879 619
LESS:		
Costs and expenses before the following:	784 426	661 369
Provision for depreciation of plants and properties and amortization of capital leases	34 881	29 092
Amortization of patents and processes	217	219
Adjustment to carrying value		
of mining ventures	2 511	2 118
Selling, general and administrative expenses	77 628	63 663
Research and development expenses	7 320	6 654
Interest on debt initially incurred		
for terms in excess of one year	12 422	15 577
Interest on other indebtedness	3 732	4 372
	923 137	783 064
Earnings Before Income Taxes and Extraordinary Item	73 227	96 555
Less: Income taxes (Note 2)	30 612	38 295
Net Income Before Extraordinary Item	42 615	58 260
Extraordinary Item (Note 5)	7 916	—
Net Income	\$50 531	\$58 260
Earnings per Common Share		
Before extraordinary item	\$5.38	\$7.37
After extraordinary item	\$6.39	\$7.37

**CONSOLIDATED STATEMENT
OF CHANGES IN FINANCIAL POSITION
YEAR ENDED 1980 DECEMBER 31**

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(Dollars in thousands)	(Restated)	
	1980	1979
Source of Funds		
From operations		
Net income before extraordinary item	\$ 42 615	\$ 58 260
Adjustment for items not requiring outlay of funds:		
Depreciation and amortization	35 098	29 311
Adjustment to carrying value of mining ventures	2 511	2 118
Deferred income taxes	(4 724)	25 871
	75 500	115 560
Sale of investment in mining venture (Note 5)	11 507	—
Increase in capital lease obligations	—	3 204
	87 007	118 764
Use of Funds		
Additions to plants and properties	53 189	23 339
Investments, advances, and sundry	5 700	12 896
Reduction in long-term debt	3 000	3 000
Dividends	6 878	6 089
	68 767	45 324
Increase in working capital for the year	18 240	73 440
Working capital at beginning of year:		
As previously reported	109 195	36 415
Adjustment of prior years (Note 1)	(5 515)	(6 175)
As restated	103 680	30 240
Working capital at end of year	\$121 920	\$103 680

CONSOLIDATED BALANCE SHEET
1980 DECEMBER 31

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(Dollars in thousands)	(Restated)	
Assets	1980	1979
Current Assets		
Cash	\$ 7 957	\$ 4 827
Accounts receivable:		
Customers and others	133 470	117 239
Affiliated companies	12 098	8 601
Inventories:		
Finished goods and work in process	86 724	77 454
Raw materials and supplies	41 010	28 842
Prepaid expenses	3 739	4 736
	284 998	241 699
Plants and Properties (Note 3)		
Less: Accumulated depreciation and amortization	324 499	293 530
	278 655	260 197
Other Assets		
Petrosar Limited (Note 4)	50 510	49 214
Mining ventures (Note 5)	2 421	5 810
Goodwill, patents and processes	3 327	3 544
Unamortized portion of long-term debt expenses	785	1 099
Sundry (Note 6)	13 948	12 139
	70 991	71 806
	\$634 644	\$573 702

(Dollars in thousands)	(Restated)	
Liabilities	1980	1979
Current Liabilities		
Bank and other short-term indebtedness	\$ 16 325	\$ 37 009
Accounts payable and accrued liabilities:		
E.I. du Pont de Nemours & Company	36 987	17 163
Other	80 201	67 224
Taxes payable	27 549	13 031
Dividends payable	2 016	3 592
	163 078	138 019
Long-Term Debt (Note 7)		
	119 000	122 000
Capital Lease Obligations (Note 8)		
	3 158	3 204
Deferred Income Taxes		
	75 196	79 920
Shareholders' Equity		
Stated capital:		
Preferred — Class A cumulative 46 500 shares	2 325	2 325
Common — Class A, Series 1 7 886 298 shares	40 031	40 031
Retained earnings	231 856	188 203
	274 212	230 559
	\$634 644	\$573 702

Signed on behalf of the Board:

Donald S. Macdonald }
J. Erkewall } Directors

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
YEAR ENDED 1980 DECEMBER 31

(Dollars in thousands)	(Restated)	
	1980	1979
Balance at Beginning of Year as previously reported	\$193 718	\$140 830
Adjustment of prior years' income (Note 1)	(5 515)	(4 798)
Balance at Beginning of Year as restated	188 203	136 032
Add:		
Net Income	50 531	58 260
	238 734	194 292
Less:		
Dividends declared on —		
Preferred stock (\$3.75 per share)	174	174
Common stock (\$0.85 per share in 1980, \$0.75 per share in 1979)	6 704	5 915
	6 878	6 089
Balance at End of Year	\$231 856	\$188 203

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Basis of Consolidation

Du Pont Canada Inc. is incorporated under the laws of Canada and the consolidated financial statements, based on historic cost, are prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects with International Accounting Standards. Subsidiary companies are all wholly owned but only Du Pont of Canada Exploration Limited is active.

Translation of Foreign Currencies

Net current assets in foreign currencies are translated into Canadian dollars at rates in effect at the end of each year. Other assets and liabilities and income and expense items are translated at the rates prevailing on transaction dates. Gains and losses on translation are included in income.

Inventories

Inventories are valued at the lower of average cost and net realizable value.

Plants and Properties and Related Depreciation and Amortization

Plants and properties are carried at cost. Pre-production expenses and interest on borrowed money incurred in connection with new facilities are charged to expense as incurred.

Depreciation is provided based on the average useful life of assets. For manufacturing facilities, the diminishing balance method is used and rates of 12% or 10% are applied to the net investment at each plant site, provided that amounts set aside in the accounts are not less than 5% of the original cost. Thus the provision for depreciation is higher in the early life of the assets when the risk is greater. Depreciation on mining facilities is provided on a straight line basis over the estimated life of the mine. The relatively small investments in other properties are depreciated at various rates. Generally, depreciation is not charged on new assets until they become operative. When assets are retired, sold or otherwise disposed of, the gross book value and dismantling costs are charged to accumulated depreciation; any recovery is credited to accumulated depreciation.

Amortization of assets under capital leases generally is treated in the same way as depreciation.

Exploration and Development

Exploration costs are deferred and amortized on the diminishing balance method at a 50% rate. Development costs and pre-production expenses of a new mine are deferred and amortized over the life of the project.

Goodwill, Patents and Processes

Goodwill was acquired prior to 1974 and is not amortized. Purchased patents and processes are amortized over their economic life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Restatement

The Company historically has charged the cost of vacations to expense when taken. Because vacations are considered to have been earned in the preceding year, the Company changed its accounting practice in 1980 and began charging expenses and accruing a liability when vacations are earned. As a result of this change the balance of retained earnings as of 1979 December 31 has been restated to show a retroactive charge of \$5 515 000. Of this amount, \$717 000 is applicable to 1979 and income for that year has been restated. The remaining \$4 798 000 relates to years prior to 1979 and has been applied against the opening balance of retained earnings in 1979. The figures reported as at 1979 December 31 for accounts payable and accrued liabilities — other, and for taxes payable have also been restated.

Note 2 — Income Taxes

Income tax benefits relating to the federal investment tax credit are included in income when realized. As a result, income taxes in 1980 were reduced by \$2 642 000 (1979 \$3 972 000). At 1980 December 31 income tax benefits on all eligible expenditures had been claimed.

Note 3 — Plants and Properties

	1980	1979
	(Dollars in thousands)	
Buildings and equipment and other facilities	\$550 331	\$467 504
Construction in progress	38 143	77 570
Assets under capital leases	5 309	4 125
Land	9 371	4 528
	\$603 154	\$553 727

— Accumulated Depreciation and Amortization

	1980	1979
	(Dollars in thousands)	
Depreciation	\$323 867	\$293 466
Amortization of assets under capital leases	632	64
	\$324 499	\$293 530

At 1980 December 31, \$54 837 000 remained unexpended on authorized appropriations for capital expenditures.

Note 4 — Petrosar Limited

The Company has a 20% equity interest in Petrosar Limited, a world-scale petrochemical complex near Sarnia, Ontario. The other equity shareholders are Polysar Limited, which together with the Canada Development Corporation, holds a 60% equity interest and Union Carbide Canada Limited which holds a 20% equity interest. The Company's investment in Petrosar is carried at cost.

Net income of Petrosar for the 1980 year was approximately \$47 000 000. After providing for dividends applicable to Class A preferred shares which are held by a consortium of banks, the net income attributable to the other shareholders was \$9 000 000. At 1980 December 31 total shareholders' equity, including \$390 000 000 of Class A preference shares, amounted to approximately \$600 000 000.

Under various agreements with certain shareholders of Petrosar and with its bankers, the Company has committed to provide Petrosar with funds to meet 21.6% of any deficiency for working capital or for dividends on or redemptions of the Class A redeemable preference shares. During the year the Company acquired Class B preference shares under this commitment at a cost of \$1 296 000.

At year-end, the Company's investment in Petrosar consisted of:

	1980	1979
	(Dollars in thousands)	
Common shares	\$10 000	\$10 000
Class B preference shares	10 800	9 504
Class C preference shares	29 710	29 710
	\$50 510	\$49 214

The Company is also committed under long-term contracts to purchase ethylene and other chemical products from Petrosar or otherwise indemnify that company.

Note 5 — Mining Ventures

In 1980 the Company sold its investment in Lacana Mining Corporation for \$12 626 000 and the gain on disposal, net of income taxes of \$869 000, is shown as an extraordinary item. Also in 1980, the Company acquired 100% ownership of Dukanex Resources Limited when Dukanex purchased and cancelled all of its issued shares not owned by Du Pont. Accordingly, mining ventures now consist of expenditures on exploration activities by Du Pont of Canada Exploration Limited after deducting accumulated amortization of \$8 802 000.

Note 6 — Sundry

As a part of its employee relocation procedure, the Company makes loans to transferred employees to assist in the acquisition of a principal residence at their new location. Included in Sundry is \$9 382 000 representing the non-current portion of such loans outstanding at 1980 December 31. (\$7 404 000 at 1979 December 31)

Note 7 — Long-Term Debt

	1980	1979
	(Dollars in thousands)	
9½% Notes due 1981 February 15	\$ 50 000	\$ 50 000
10½% Sinking Fund Debentures due 1995 May 01	69 014	72 000
	119 014	122 000
Less: Amount due within one year	14	—
	\$119 000	\$122 000

In 1981 February, the Company issued 13½% debentures due 1991 February 15 in the amount of U.S. \$65 000 000 and used part of the proceeds to retire the notes due 1981 February 15.

Sinking fund provisions of the 10½% debentures require the Company to make payments to the trustee sufficient to retire \$3 000 000 principal amount on May 01 in each year to 1994 inclusive. The Company has purchased \$2 986 000 of debentures on the open market in anticipation of future sinking fund payments and has applied the purchase to reduce the current portion of long-term debt.

Note 8 — Capital Lease Obligations

The Company has entered into capital leases having five year terms with varying interest rates related to the prime rate.

Future minimum lease payments under capital leases together with the present value of the net minimum capital lease payments at 1980 December 31 are as follows:

Minimum lease payments for years ending December 31	(Dollars in thousands)
— 1981	\$ 1 558
— 1982	1 413
— 1983	1 267
— 1984	1 121
— 1985	63
Net minimum lease payments	5 422
Less: Imputed interest	1 202
Present value of minimum lease payments	
— Due in 1981	\$1 062
— Due after 1981	3 158 \$ 4 220

Note 9 — Minimum Lease Payments under Operating Leases

The Company's future minimum lease payments under operating leases are as follows:

(Dollars in thousands)

Years ending December 31	
— 1981	\$ 5 039
— 1982	4 541
— 1983	3 705
— 1984	1 528
— 1985	1 181
Remainder	5 881
	\$21 875

Note 10 — Related Party Transactions

In the normal course of business, the Company had transactions with the parent company and its affiliates. In 1980, such purchases of goods and services for consumption and resale amounted to \$217 698 000. Sales to the same group of related companies totalled \$47 171 000 during 1980.

Note 11 — Pension Liabilities

Pensions for former employees under the Company's non-contributory Pension Plan are based on length of service and average annual earnings in the employee's best consecutive thirty-six months. The costs of the Pension Plan are borne by the Company and payments are made directly to an irrevocable trust fund held by an independent trustee.

As at 1980 December 31, the amount held by the independent trustee (book value \$177 241 000) exceeded the actuarially determined value of pensions earned to that date. The last formal actuarial evaluation, which also projected employee service and remuneration to future years when individual pensions are expected to begin, disclosed an estimated unfunded past service liability of \$9 900 000 as of 1979 December 31. In addition, improvements were made to the plan effective 1980 January 01, which, based on projected service and remuneration, gave rise to a further estimated unfunded past service liability of \$15 800 000.

These liabilities are being funded by regular payments which are charged against earnings over periods not exceeding 15 years as permitted by The Pension Benefits Act of the Province of Ontario.

In 1980 payments to the Pension Plan charged against earnings amounted to \$15 170 000 compared to \$11 367 000 in 1979.

Note 12 — Segmented Information

Industry Segments (Dollars in thousands)

	Fibres	Plastics and Films	Chemicals	Consolidated
1980				
Sales to outside customers	\$331 924	\$346 796	\$316 623	\$995 343
Operating profit	\$ (1 956)	\$ 52 532	\$ 40 966	\$ 91 542
Other income				1 021
General corporate expenses				(3 182)
Interest expense				(16 154)
Income taxes				(30 612)
Net income — from operations				\$ 42 615
— extraordinary item				7 916
— total				\$ 50 531
Identifiable Assets	\$266 861	\$204 431	\$ 93 313	\$564 605
Corporate Assets				70 039
Total Assets				\$634 644
Capital Expenditures	\$ 13 082	\$ 11 583	\$ 3 920	
Depreciation and Amortization	\$ 21 499	\$ 8 282	\$ 2 876	
1979 (Restated)				
Sales to outside customers	\$310 319	\$304 125	\$264 777	\$879 221
Operating profit	\$ 33 508	\$ 49 763	\$ 35 248	\$118 519
Other income				398
General corporate expenses				(2 413)
Interest expense				(19 949)
Income taxes				(38 295)
Net income				\$ 58 260
Identifiable Assets	\$263 480	\$179 155	\$ 83 003	\$525 638
Corporate Assets				48 064
Total Assets				\$573 702
Capital Expenditures	\$ 13 744	\$ 3 574	\$ 3 831	
Depreciation and Amortization	\$ 15 143	\$ 9 391	\$ 2 951	

Export Sales amounted to \$175 223 000 in 1980 and \$137 469 000 in 1979.

Note 12 — Segmented Information (cont'd)

The industry segments have been determined by the directors of the Company as recorded in the minutes of a Board meeting held 1980 February 29. The segments have been determined based on the Statistics Canada Standard Industrial Classification Codes adjusted for marketing and operating conditions within the Company. The Fibres segment consists of the manufacture and marketing of synthetic fibres to the textile, home furnishings, tire and industrial markets. The Plastics and Films segment covers manufacture and marketing of polyethylene resins, woven polyolefins, polyethylene pipe, polyethylene and other packaging films. The Chemicals segment consists of the manufacture and marketing of fluorocarbons, petroleum chemicals, finishes, explosives and the resale of a variety of chemical or related products purchased mainly from E.I. du Pont de Nemours & Company and Petrosar Limited.

Note 13 — Remuneration of Directors and Officers

During 1980, the remuneration of the twelve directors (including two past directors) aggregated \$125 000 and of the thirteen officers aggregated \$1 537 000. Two of these officers were also directors.

TEN-YEAR COMPARISON

(Restated) (1)

Operating Results	1980	1979	1978
Results per common share			
Total earnings (loss)	\$6.39	\$ 7.37	\$1.22
Funds from operations	\$9.55	\$14.63	\$6.07
Dividends	\$0.85	\$ 0.75	—
 Sales and other income	996 364	879 619	662 617
Costs and expenses before the following:	869 374	731 686	591 983
Provision for depreciation, amortization, and other*	37 609	31 429	30 471
Interest on borrowed money	16 154	19 949	22 398
Taxes on income	30 612	38 295	7 995
Extraordinary items	(7 916)	—	—
 Net income (loss)	50 531	58 260	9 770
 Per cent return on:			
Average total investment **	6.6	8.5	3.0
Average common shareholders' equity	20.1	29.1	5.6
 Financial Position			
Total current assets	284 998	241 699	190 679
Total current liabilities	163 078	138 019	160 439
Net working capital	121 920	103 680	30 240
Plants and properties at cost	603 154	553 727	531 020
Accumulated depreciation and amortization	324 499	293 530	265 070
Plants and properties — net	278 655	260 197	265 950
Other assets	70 991	71 806	61 247
Long-term debt	122 158	125 204	125 000
Deferred income taxes	75 196	79 920	54 049
 Shareholders' equity	274 212	230 559	178 388
 General			
Company selling price index			
— manufactured products (1971 = 100)	221	188	161
Construction expenditures	53 189	23 339	10 674
Average total investment***	896 524	818 645	759 796
Shareholders' equity per common share	\$34.48	\$28.94	\$22.33
Average number of employees	5 937	5 560	5 408
Average total investment per employee	151.0	147.2	140.4

(1) Restated to reflect adjustments resulting from the change in accounting policy related to accounting for vacations.

(See Note 1 to Consolidated Financial Statements.)

* Includes adjustment to the carrying value of mining ventures beginning in 1972.

** Based on net income before interest expense.

*** Total investment is based on total assets before deducting accumulated depreciation and amortization; the average is based on the investment of each calendar month.

(Amounts in thousands of dollars except where otherwise noted)

1977	1976	1975	1974	1973	1972	1971
\$0.93	\$(0.37)	\$0.15	\$2.54	\$2.09	\$1.71	\$1.34
\$4.83	\$ 2.39	\$3.21	\$6.10	\$5.06	\$3.93	\$3.22
—	\$ 0.20	\$0.50	\$1.00	\$0.95	\$0.85	\$0.625
537 552	458 832	410 810	369 025	307 954	260 737	228 333
477 290	422 786	377 678	312 606	260 059	218 591	190 613
27 794	23 471	19 862	17 726	16 766	16 385	15 673
19 421	16 551	10 217	4 658	2 160	629	1 058
5 573	(1 262)	423	14 797	12 352	11 510	10 284
—	—	1 295	(994)	—	—	—
7 474	(2 714)	1 335	20 232	16 617	13 622	10 705
2.6	1.0	1.3	4.9	4.4	3.9	3.2
4.4	—	0.7	12.4	11.0	9.4	7.8

161 544	133 624	139 024	124 837	91 768	83 294	68 583
127 871	105 917	97 418	84 123	57 951	37 272	34 593
33 673	27 707	41 606	40 714	33 817	46 022	33 990
527 898	521 023	458 592	375 610	333 293	292 891	275 532
243 496	227 057	208 155	191 758	183 511	170 291	158 000
284 402	293 966	250 437	183 852	149 782	122 600	117 532
51 240	34 784	20 191	12 844	11 235	10 604	9 822
154 517	154 517	104 517	29 517	10 000	10 000	—
46 006	40 448	41 759	39 153	28 266	21 608	20 471
168 792	161 492	165 958	168 740	156 568	147 618	140 873

153	147	140	124	100	98	100
16 679	65 793	87 542	53 177	42 948	20 360	7 504
714 239	657 197	546 238	465 738	402 816	362 321	347 829
\$21.11	\$20.18	\$20.75	\$21.10	\$19.56	\$18.42	\$17.57
5 473	5 713	5 734	5 746	5 538	5 113	5 158
130.5	115.0	95.3	81.1	72.7	70.9	67.4

PRODUCTS LISTING

Fibres

Manufactured:

Nylon continuous filament yarns, staple, tow and bulked continuous filament (BCF) yarns

- ANTRON nylon fibre for textiles
- ANTRON III and
- ANTRON PLUS nylon fibres for carpets
- ORLON acrylic fibre, staple and tow
- LYCRA spandex fibre
- DACRON polyester filament yarn
- HYTEN wrapped filament yarn
- ★ FIBRELOFT staple

Resale:

- NOMEX high temperature resistant nylon
- TEFLON fluorocarbon fibre
- DACRON polyester staple
- KEVLAR aramid fibre
- CORDURA yarn
 - Polyester Fibres
 - DACRON and
 - HOLLOWFIL
 - QIANA nylon fibre

Plastics and Films

Manufactured:

- ★ CELLOPHANE cellulose film
- ★ SCLAIRFILM polyolefin film
- ★ DARTEK nylon film
- ★ FABRENE woven polyolefin material
- ★ PERFIL fibrillated polyolefin tape
- ★ ANCHOR-BAC carpet backing
- VEXAR plastic netting
- HEROX and
- TYNEX nylon monofilaments
- ★ SCLAIR polyethylene resins
- ZYTEL nylon resins
- ★ SCLAIRPIPE polyethylene pipe
- ALDYL polyethylene pipe
- ★ SCLAIRCOR polyolefin piping systems
- ★ SCLAIRLOC pipe couplings
- ★ ALOUETTE SCB butt-fusion machine

Resale:

- Butt-fusion equipment for polyolefin pipe
- MYLAR polyester film
- KAPTON polyimide film
- TEDLAR PVF film
- TYPAR spunbonded polypropylene carpet backing

Liquid packaging machines

Plastic materials for molding and extrusion including:

- ALATHON polyolefin resins
- DELRIN acetal resins
- LUCITE acrylic resins
- MINLON engineering thermoplastic resins
- RYNITE polyester resin powders
- SURLYN ionomer resins
- TEFLON fluorocarbon resins
- ZYTEL ST Supertough nylon resins

Polymers for adhesives and coatings including:

- ELVACE acetate/ethylene emulsions
- ELVACITE acrylic resins
- ELVALOY resin modifiers
- ELVAMIDE nylon resins
- ELVANOL polyvinyl alcohol
- ELVAX vinyl resins
- DYMETROL nylon strapping
- STREN nylon fishing line
- BUTACITE polyvinyl butyral resin sheeting for safety glass
- VESPEL precision parts from polyimide resins
- CROFON optical fibre
- Nylon Monofilaments
 - HEROX,
 - TYNEX and
 - VYLOR
- OREL polyester monofilament

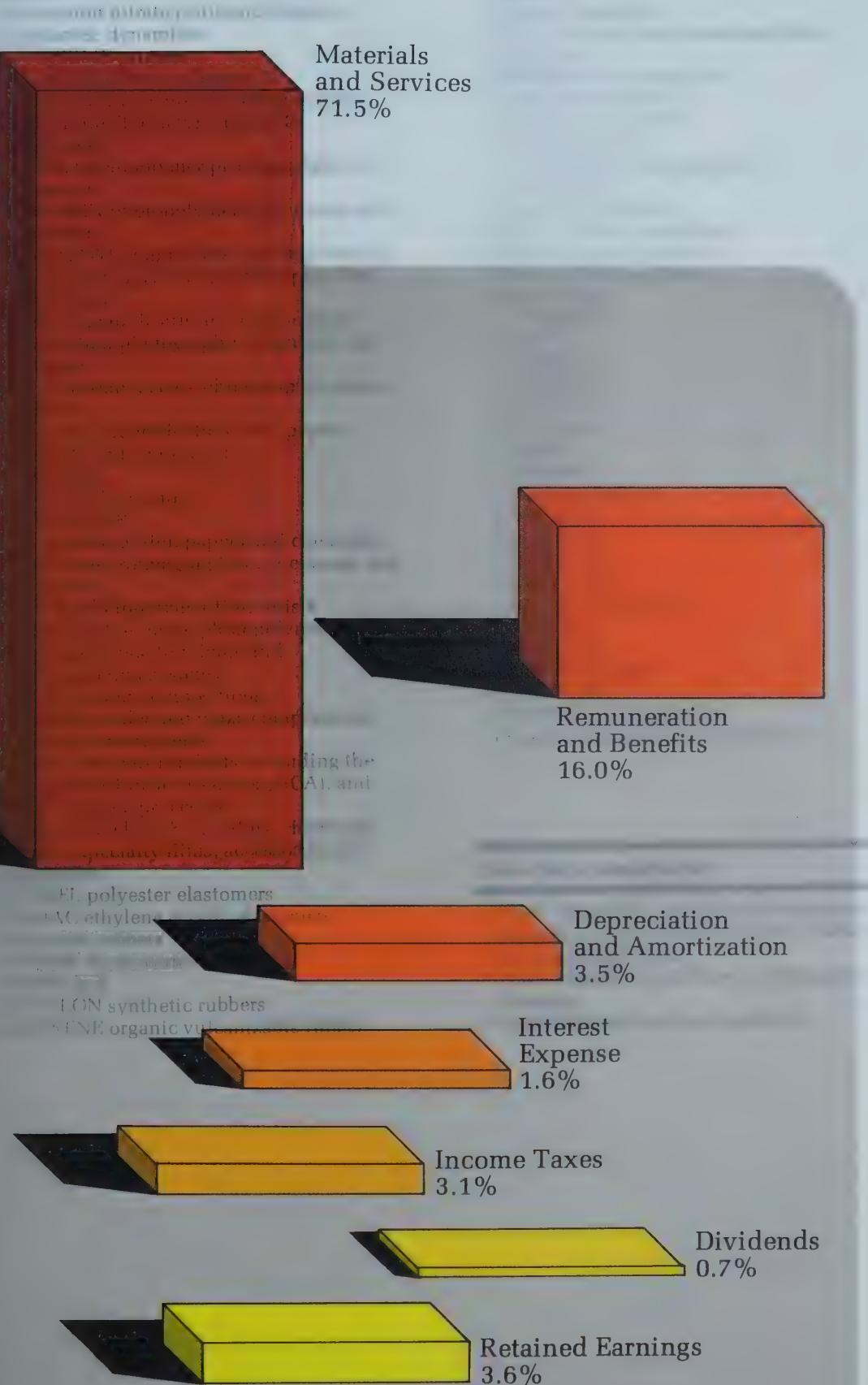
Chemicals and Other Products

Manufactured:

- FREON fluorocarbon refrigerants, aerosol propellants, industrial solvents, blowing agents and fire extinguishing agents
- DYTEL leak detectives
 - Antiknock compounds and other petroleum additives
- VALCLENE dry-cleaning fluid
- ALBONE hydrogen peroxide
 - Protective and decorative finishes for automotive and industrial uses including:
- CENTARI acrylic enamel
- ★ DULUX alkyd enamel
 - Epoxy finish
- IMRON polyurethane finish
- LUCITE acrylic lacquer
- SILVERSTONE non-stick finish
- TEFLON non-stick finish
 - Commercial explosives including:
- ★ ENERGEX water gel seismic explosive
- TOVEX water gels
- NILITE and
- TOVITE blasting agents and
- ★ COR-DET primers
 - Hydrochloric, nitric and adipic acids

DISTRIBUTION OF 1980 SALES DOLLAR

(Excluding extraordinary item)



DISTRIBUTION OF 1980 SALES DOLLAR

(Excluding extrusionary item)

PRODUCTS LISTING

36

Fibres

Manufactured

- Nylon continuous filament yarns, staple, tow and bulked continuous filament (BCF) yarns
- c ANTRON nylon fibre for textiles
- c ANTRON III and
- c ANTRON PLUS nylon fibres for carpets
- c ORLON acrylic fibre, staple and tow
- c LYCRA spandex fibre
- c DACRON polyester filament yarn
- c HYTEN wrapped filament yarn

Liquid packaging machines

Plastic materials for molding and extrusion including:

Materials

LIQUITE

MINILON

RYNITE

SURLYN

TEFILON

ZYTEL ST

Engineering Services

JET 390

JET 400

JET 410

JET 420

JET 430

JET 440

JET 450

JET 460

JET 470

JET 480

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Resale:

- Ammonium nitrate prills and blasting accessories; dynamites
- DETAPRIME primers
- DETASHEET flex explosives
- FASLOC resin-anchored bolting systems
- DEXLAR flexible acrylic enamels
- CYREL and
- DYCRIL photopolymer printing plates and equipment
- CROMALIN photopolymer film, toners and equipment
- CRONALITH graphic arts and engineering reproduction polyester photographic film and film base
- CRONAR graphic arts and engineering reproduction photographic chemicals and equipment
- DYLUX instant access photographic papers and films
Engineering reproduction film, papers, chemicals and equipment
 - CROVEX,
 - CRONAFLEX and
 - CRONALAR
- Data recording film, papers and chemicals
- RECRON microimaging film, chemicals and equipment
- RISTON photopolymer film resists
- VACREL solder mask photopolymer resist
Berg connectors, terminals and interconnection systems
- BIROX resistor compositions
- FORMON solder and braze compositions
Analytical Instruments
Clinical Systems Products, including the Automatic Clinical Analyzer (ACA), and PREP I sample processor
- CRONEX medical X-ray films, chemicals, screens, specialty films, accessories and equipment
- HYTREL polyester elastomers
- VAMAC ethylene acrylic elastomers
Neoprene rubbers
- NORDEL hydrocarbon rubber
- VITON and
- HYPALON synthetic rubbers
- ADIPRENE organic vulcanizable rubber

Pigments**Organic chemicals**

- ZEPEL rain and stain repelling fabric fluoridizer
- ZEPHRON lubricating oil
Spunbonded Fabrics
 - REEMAY polyester,
 - TYVEK olefin,
 - TYPAR polypropylene and
 - SONTARA
- Industrial chemicals
- ZELCON fabric conditioner
- TEFLON carpet protector
Chemical intermediates
- Weed Killers
 - AMMATE,
 - HYVAR,
 - KARMEX,
 - KRENITE,
 - KROVAR,
 - LEXONE,
 - LOROX,
 - SINBAR,
 - TUPERSAN and
 - VELPAR
- Fungicides
 - BENLATE,
 - LIGNASAN,
 - MANZATE 200 and
 - TERSAN
- Insecticides
 - LANNATE and
 - MARLATE
- HYDAN feed supplement
Programmed instruction courses

Trade Mark Identification

- Trade Mark of E.I. du Pont de Nemours & Company under which Du Pont Canada Inc. is a Registered User.
- Trade Mark of E.I. du Pont de Nemours & Company
- * Trade Mark of Du Pont Canada Inc.

DIRECTORY

Plants

Ajax Works (416) 683-5500
408 Fairall Street, Ajax, Ontario L1S 1R6

Les Usines Coteau (514) 763-5921
C.P. 430
Coteau-du-Lac, Québec J0P 1B0

Kingston Works (613) 544-6000
P.O. Box 2100, Kingston, Ontario K7L 4Z6

Maitland Works (613) 348-3611
Maitland, Ontario K0E 1P0

Nipissing Works (705) 472-1300
P.O. Box 900, North Bay, Ontario P1B 8K2

St. Clair River Works (519) 862-1445
Corunna, Ontario N0N 1G0

Les Usines de Shawinigan (819) 536-4461
Rue Summit, C.P. 870
Shawinigan, Québec G9N 6W6

Whitby Works (416) 668-5811
South Blair Street, P.O. Box 1480
Whitby, Ontario L1N 5S6

Field Operations Sites (Explosives)

Asbestos, Québec J1T 3A0
P.O. Box 26 (819) 879-2667

Baie James, Québec J0Y 2V0
Chantier Caniapiscau (819) 856-6337

Bathurst, New Brunswick E2A 3Y6
R.R. #2, Site 1, Box 6 (506) 546-2015

Black Lake, Québec G0N 1A0
P.O. Box 188 (418) 423-4724

Caledonia, Ontario N0A 1A0
P.O. Box 99 (416) 768-5831

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Havre Saint-Pierre, Québec G0G 1P0
P.O. Box 938 (418) 538-2400

Houston, British Columbia V0J 1Z0
P.O. Box 1490 (604) 845-7604

Kitsault, British Columbia V0V 1J0
General Delivery

Leaf Rapids, Manitoba R0B 1W0
75 Mikinak Bay (204) 473-2415

New Liskeard, Ontario P0J 1P0
R.R. #2, Group Box 1, Compartment 53 (705) 569-3544

Princeton, British Columbia V0X 1W0
P.O. Box 35 (604) 295-6741

Saskatoon, Saskatchewan S7L 6B8
Rabbitt Lake Operation
615 Confederation Drive, Suite 425
Cedar Ridge Estates (306) 633-2141

Sparwood, British Columbia V0B 2G0
P.O. Box 40 (604) 425-2262

Sudbury, Ontario P3E 3M3
18 Durham Street South (705) 566-1110

Timmins, Ontario P4N 4E7
16 Borden Avenue (705) 267-1416

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408 Fairall Street (416) 683-5500

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Vancouver, B.C. V6G 1A5 (604) 684-9264

Stock Listings

Common Stock —
Valuation Day value \$20.25
Montréal Stock Exchange
Toronto Stock Exchange
Preferred Stock —
Valuation Day value \$52.00
Montréal Stock Exchange

Stock Transfer Agent and Registrar

Montréal Trust Company
Montréal, Toronto, Calgary and Vancouver

Debenture Transfer Agent and Registrar

The Royal Trust Company, Montréal
Royal Trust Corporation of Canada
Toronto, Winnipeg, Calgary and Vancouver

Auditors

Touche Ross & Co.
1 Place Ville Marie, Montréal, Québec H3B 2A2

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